

B281

will first refusal, with any person or entity other than Bentley. Conrex
further warrant that no agreements have been entered into or
otherwise exist as of the date hereof other than the licenses that
will be provided to Bentley to review prior to closing, nor have negotiations
or discussions taken place which have resulted in options to license or
any other right that may affect the enhancement technology unencumbered. Each
of the parties hereto shall bear its own costs and expenses related to the
negotiation, preparation, execution, delivery and performance of the Letter of
Intent and the Acquisition Agreement.

B282

<<< Page 12 >>>

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Page 3

Page Three

Ms. Phyllis Hsieh and Mr. Yungtai Hsu
July 22, 1998

The foregoing summary is the basis upon which we have agreed, on a timely basis, to enter into good-faith negotiations. This letter of intent is not binding.

This letter shall be governed by the laws of the State of Florida and shall bind and inure to the benefit of the parties and their respective successors and assigns.

Please acknowledge your agreement to the foregoing proposal in the space provided below in order that the process may continue on the basis and the terms set forth above.

ACCEPTED AND AGREED TO BY BOTH:

Bentley Pharmaceuticals, Inc.
Corporation
One Urban Centre, Suite 548
4830 W. Kennedy Blvd.
Tampa, FL 33706

Conrex Pharmaceutical
300 Kimberton Road, Suite 120
Phoenixville, PA 19460

By:

James R. Murphy
Chairman and CEO

Date:

By:

Phyllis Hsieh
President

Date:

913199159

ETHYPHARM

*Marqués de la Ensenada, 16. 28004 Madrid-España
Tel: (34) 913 08 56 81 Fax: (34) 913 19 91 59*

FAX: 00 33 1 41 12 17 45	Fecha: 08.04.99	Pgs: 1
DE: María-José Rodríguez.	A: Roseline Joannesse CIA: Ethypharm	

Suite à votre conversation téléphonique avec Ignacio Alvarez, je vous envoie l'adresse de Bentley Pharmaceuticals, INC (James Murphy)

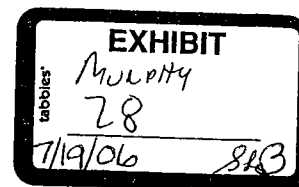
4890 WEST KENNEDY BOULEVARD
SUITE 400 - TWO URBAN CENTER
TAMPA, FLORIDA 33609

TEL: 00 1 813 281 09 61
FAX: 00 1 813 282 89 41

Cordialement,



María-José Rodríguez.



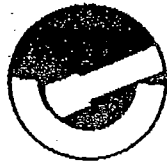
EP 009112

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* * * RAPPORT DE RESULTAT DE TRANSMISSION (8.AVR.1999 16:34) * * *

FICH MODE	OPTION	ADRESSE (GROUPE)	TTI ETHYPHARM ST CLOUD RESULT.	PAGE
400 TX MEMORISEE		7000-34913199159	OK	P. 1/1

CAUSE DE L'ERREUR

E-1) RACCROCHE OU ERREUR LIGNE
E-3) PAS DE REPONSEE-2) OCCUPE
E-4) PAS UN TELECOPIEUR**éthypharm**

Marqués de la Ensenada, 16
28004 Madrid, Tel. 308 56 81
Fax 319 91 59
Telex: 23581 CENCO

BENTLEY PHARMACEUTICALS, INC.
4890 WEST KENNEDY BOULEVARD
SUITE 400 - TWO URBAN CENTER
TAMPA, FLORIDA 33609
USA

Madrid, April 8, 1999

FOR THE ATTENTION OF MR. JAMES MURPHY

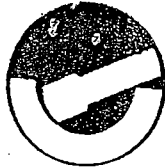
Dear Sir,

We have discovered with great surprise various enclosed articles and advertisements relative to Belmazol and Belmac technology recently published in Spanish newspapers and magazines by your subsidiary Belmac.

Ethypharm Spain (« Ethypharm ») places great value in its intellectual property. That is why

EP 009113

B285



éthypharm

Marqués de la Ensenada, 16
28004 Madrid. Tel. 308 56 81
Fax 319 91 59
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BENTLEY PHARMACEUTICALS, INC.
4890 WEST KENNEDY BOULEVARD
SUITE 400 - TWO URBAN CENTER
TAMPA, FLORIDA 33609
USA

Madrid, April 8, 1999

FOR THE ATTENTION OF MR JAMES MURPHY

Dear Sir,

We have discovered with great surprise various enclosed articles and advertisements relative to Belmazol and Belmac technology recently published in Spanish newspapers and magazines by your subsidiary Belmac.

Ethypharm Spain (« Ethypharm ») places great value in its intellectual property. That is why we entered into confidential disclosures agreements with Belmac. Accordingly, we were puzzled when we reviewed the articles in question and even more puzzled by the fact that not one word made mention of Ethypharm's role in the development and manufacture of Belmazol. The advertisements and articles state that Belmac is the owner of the technology, the know how and equipment used to develop and to manufacture the product.

As you surely know, and, as evidenced by numerous documents, this is the sole property of Ethypharm, and Belmac has only been authorized by Ethypharm to use this property to supply Ethypharm's customers.

Our Spanish lawyers have prepared and addressed a letter on the same subject to Mr Clemente Gonzalez and suggested an urgent meeting to review the situation.

We want to correct any misunderstanding, as I am confident you do as a public company, and trust you will take all appropriate measures to remind your Spanish subsidiary of its obligations so that our two companies can work together in an appropriate spirit of cooperation.

Thanking you in advance for your prompt action and answer,

Yours Sincerely,

Patrice DEBREGES
President

EP 009114

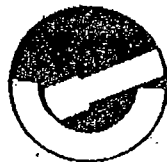
B286

* * * RAPPORT DE RESULTAT DE TRANSMISSION (8.AVR.1999 17:17) * * *

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407 TX MEMORISEE		7000-18132828941		OK	P. 5/5

CAUSE DE L'ERREUR

E-1) RACCROCHE OU ERREUR LIGNE
E-3) PAS DE REPONSEE-2) OCCUPE
E-4) PAS UN TELECOPIEUR**éthypharm**

Marqués de la Ensenada, 16
28004 Madrid. Tél. 308 56 81
Fax 319 91 59
Telex: 23581 CENCO

BENTLEY PHARMACEUTICALS, INC.
4890 WEST KENNEDY BOULEVARD
SUITE 400 - TWO URBAN CENTER
TAMPA, FLORIDA 33609
USA

Madrid, April 8, 1999

FOR THE ATTENTION OF MR JAMES MURPHY

Dear Sir,

We have discovered with great surprise various enclosed articles and advertisements relative to Belmazol and Belmac technology recently published in Spanish newspapers and magazines by your subsidiary Beimac.

Ethypharm Spain (« Ethypharm ») places great value in its intellectual property. That is why

EP 009115

DIARIO MEDICO Lunes, 5 de abril de 1999

EMPRESAS

Su especialización en esta técnica le permite la fabricación para terceros

Belmac crece con la 'pelletización'

Una forma de crecer y mantenerse es la especialización en una técnica o área. El laboratorio español Belmac lo ha logrado con la técnica de recubrimiento de principios activos llamada *pelletización*.

CRISTINA G. REAL
Con la tendencia actual del sector farmacéutico a concentrar la producción en unas pocas plantas implantadas en lugares concretos, "la única forma de justificar una fábrica hoy es la especialización, algo que nosotros hemos logrado con la *pelletización*, o microgranulación de productos para protegerlos a su paso por el aparato digestivo. Esta alta especialización de la fábrica de Zaragoza nos permite producir nuestros propios productos y satisfacer las demandas de terceros", explica Clemente González, director general de Belmac, que asegura que la importancia de esta técnica y el hecho de que el principio activo fundamental en el que se aplican, el omeprazol, sea un fármaco cuya demanda de mercado ha ido aumentando por su valor terapéutico, ha permitido mantener y potenciar la fábrica de Zaragoza.

Potenciar estas instalaciones ha sido el objetivo principal de la compañía desde sus comienzos en 1992, para lo que ha renovado y ampliado su cartera de productos para asegurarse su futuro. "Nuestra vocación -asegura- es mejorar los productos que fabricamos y lanzar novedades al mercado que sean útiles para el médico. De hecho, la innovación en tecnologías o fármacos es la que tendrá una vida a largo plazo, algo a lo que nosotros aspiramos".

Su compañía matriz, la

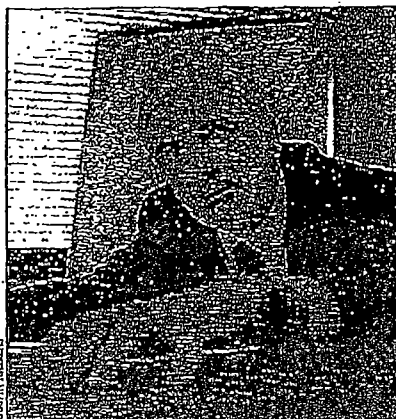
americana Bentley, ha adquirido la patente de una tecnología para la administración de productos a través de piel y mucosas. "Es una tecnología que estamos desarrollando y que tiene enormes posibilidades porque muchas moléculas se pueden administrar por esta vía con la ventaja de que no tienen que pasar por la vía digestiva".

Investigación

González explica que se está investigando la técnica en distintas moléculas. "La que tenemos más avanzada es una testosterona para la disfunción eréctil, cuya administración tópicamente impediría algunos efectos secundarios de otros tratamientos. También intentaremos usarla con antiinflamatorios y sustancias de administración oral. Este desarrollo, de momento experimental, se lleva a cabo en New Hampshire (Estados Unidos), donde está el centro de investigación de Bentley, y en Zaragoza".

La compañía tiene genéricos y productos de marca porque "queremos aprovechar todas las posibilidades de la planta, que nos permite fabricar con calidad y, por tanto, competir también en genéricos".

Belmac se centra, sobre todo, en el área de aparato digestivo desde el punto de vista global, ya que tiene un omeprazol -Belmatol-, en lanzando, el *screening* para la detección precoz de cáncer de colon, y está a punto de



Clemente González es el director general de Belmac.

CASTIGO

Belmac mantiene la filosofía de que, ya que hay que trabajar, "preferimos hacer cosas útiles y con enormes posibilidades de crecimiento", señala Clemente González, director general de la compañía. Una de estas medidas útiles consiste en bajar algunos precios para colaborar a reducir la factura del gasto farmacéutico. "Intentamos contabilizar esto con un mantenimiento de la calidad, al tiempo que la Administración nos castiga haciéndonos pagar un canon para contrarrestar el aumento del gasto farmacéutico. A pesar de que yo nos consideramos responsables de este aumento, nos hemos adherido al pacto por solidaridad. Desmarcarnos de este pacto hubiera significado que otros tendrían que pagar más, a lo mejor también injustamente".

lanzar un producto de fibra para la prevención de este cáncer y un antiinflamatorio para el Crohn.

En 1999 Belmac sacará al mercado varios genéricos, un producto para la osteoporosis -de calcio con vitamina D- y algunos para su

línea de fármacos sin receta. Entre sus marcas consolidadas destaca el descongestionante nasal *Senioral*, *Belmatol*, el relajante muscular llamado *Mio-Relax*, *Control Box* -uno de los IEC- con mejor precio- y la cefalosporina *Azmatol*.

E S T A S E V E N I D A D E S S O N

913199159

España

España, el único país europeo donde el ciudadano no contribuye al sostenimiento del sistema de financiación sanitaria

Belmac remodela su planta de producción y rebaja el omeprazol

"España es el único país europeo donde los ciudadanos no contribuyen al sostenimiento del sistema de financiación sanitaria".

ro:
te:
fe:
Cu:
Inf:
ga:
Na:

Publicado por

la Salud (ANIS), que se imparte en la Facultad de Medicina de la Universidad Complutense de Madrid, patrocinado por el Grupo MSD. Feijóo ve el futuro del Sistema Sanitario con optimismo y se mostró a favor del actual mantenimiento del Sistema Público de Salud, aunque admite la competencia privada y apoya al ciudadano que desee invertir en su salud personal. "Transformar para mantener el Sistema y contribuir, no para recaudar, sino para condicionar", fueron al-

gunas de las propuestas del responsable del Insalud.

Destacó que el personal sa-

mejor la vez se pro-espon-Ade-vertirá rtas en ptala-

ria durante los próximos tres años, y afirmó que "en este sentido, en los dos últimos años, se ha hecho más que en toda la historia sanitaria en nuestro país". La ponencia de Feijóo se titulaba "Presente y Futuro del Sistema Nacional de Salud". Moderó las intervenciones José María Catalán, Presidente de ANIS, quien destacó que en el curso se incluyen temas de candente actualidad que apuntan hacia el futuro, como la Medicina Basada en la Evidencia o Internet.

Belmac, únicos laboratorios españoles especializados en la fabricación de micro-pellets de omeprazol (de los que producen más de 50 toneladas anuales) han remodelado totalmente su planta de producción de Zaragoza, para lo que ha realizado una inversión de 300 millones de pesetas al tiempo que ha incrementado su plantilla en un 40%. Esta decisión responde al deseo de potenciar la producción de omeprazol con esta remodelación. Belmac, que cuenta en el mercado nacional con un medicamento a base de omeprazol, Belmazol®, ha rebajado la

presentación de 14 cápsulas: a 950 ptas. (P.V.P.) desde las 3.797 ptas. que costaba. En España se consumen más de 200 millones de cápsulas de omeprazol al año. La capacidad actual de producción de la planta de Belmac en Zaragoza es de 75 millones de dosis anuales, de las que un porcentaje elevado se exporta a 30 países. La microgranulación es aplicable a gran número de productos y con ella se persigue, entre otras cosas, proteger a los medicamentos en su paso por el estómago, asegurar su liberación controlada y aumentar su eficacia.

Telefax nº 231, 1 Abril 1999

950 *ptas.*
(PVP IVA)

BELMAC único laboratorio farmacéutico
especializado en la fabricación
de microgránulos de **OMEPRAZOL** en España.

[illegible]Laboratorios **BELMAC**, S.A.

B290

PM. FARMA

Página 1 de 1



Belmac remodela totalmente su planta de producción

Único laboratorio farmacéutico en España especializado en la fabricación de micro-pellets de Omeprazol, ha rebajado sustancialmente su especialidad

Laboratorios Belmac ha remodelado totalmente su fábrica de Zaragoza, para lo que ha realizado una inversión de 300 millones de pesetas al tiempo que ha incrementado su plantilla en un 40 por ciento, con el fin de potenciar la producción de Omeprazol, el fármaco líder mundial en el tratamiento de la úlcera gastroduodenal. En la planta, además de la producción propia, se fabrica Omeprazol para otras compañías, así como para la exportación.

Gracias a esta remodelación, Belmac, que cuenta en el mercado nacional con un medicamento a base de omeprazol, Belmazol, ha rebajado considerablemente la presentación de 14 cápsulas: a 950 pesetas (PVPIVA) desde las 3.797 pesetas que costaba. Belmazol ha demostrado ser bioequivalente con los dos productos de referencia más conocidos internacionalmente, Mopral y Losec.

En España se consumen anualmente más de 200 millones de cápsulas de Omeprazol. La capacidad actual de producción de la planta de Belmac en Zaragoza es de 75 millones de dosis al año, de las que un porcentaje elevado se exporta a 30 países. Desde el inicio de sus actividades, Belmac tuvo entre sus objetivos la potenciación de esta planta, para lo que hubo de renovar y ampliar su cartera de productos, con el fin de asegurar el futuro de la empresa. Ahora, gracias a la tecnología de microgranulación con equipos de alta capacidad, ha hecho posible producir más de 50 toneladas anuales de micropellets. La microgranulación es aplicable a gran número de productos y con ella se persigue, entre otras cosas, proteger a los medicamentos en su paso por el estómago, asegurar su liberación controlada y aumentar su eficacia.

[Índice Noticias](#)

[Volver a la página principal](#)

→ Telefax

<http://www.readysoft.es/pm-farma/news/news17.htm>

25/03/99

EP 009119

B291

913199159

ETHYPHARM

Marqués de la Ensenada, 16. 28004 Madrid-España

Tel: (34) 913 08 56 81 Fax: (34) 913 19 91 59

FAX: 00 33 1 41 12 17 45	Date: 04/08/99	Pages: 1
From: María-José Rodríguez	To: Roseline Joannesse CIA: Ethypharm	

Pursuant to your telephone conversation with Ignacio Alvarez, I am sending you the address for Bentley Pharmaceuticals, INC (James Murphy)

4890 WEST KENNEDY BOULEVARD
SUITE 400 – TWO URBAN CENTER
TAMPA, FLORIDA 33609

TEL: 00 1 813 281 09 61
FAX: 00 1 813 282 89 41

Sincerely,
[Signature]

María-José Rodríguez

EXHIBIT
Joannesse
No. 34
7-20-06 [illegible]

EP009112

B292

ORIGINAL TEXT IN ENGLISH

EP009113

B293

ORIGINAL TEXT IN ENGLISH

EP 0009114

B294

ORIGINAL TEXT IN ENGLISH

EP009115

MEDICAL NEWSPAPER

Monday, April 5, 1999

BUSINESSES

Its specialization in this technique allows it to manufacture for third parties

Belmac grows with “pellitization”

One way to grow and maintain is the specialization in one technique or area. The Spanish laboratory Belmac has achieved this with the technique of coating of active principals called pelletization.

Cristina G. Real

With the current tendency of the pharmaceutical sector to concentrate production in a few plants in specific places, “the only way to justify manufacturing today is specialization, something that we have achieved with the pelletization or microgranulation of products to protect them in their passage through the digestive system. This great specialization en the factory at Zaragoza allows us to produce our own products and satisfy the needs of third parties,” explains Clemente González, general director of Belmac, who assures that the importance of this technique and the fact that the fundamental active principal in which they apply it, omeprazole, is a medication with a market demand that has continued to increase for its therapeutic value, has allowed the Zaragoza factory to maintain itself and continue to strengthen.

The strengthening of these facilities has been the principal objective of the company since it started in 1992; it has therefore renovated and expanded its product portfolio in order to ensure its future. “Our vocation—he assures—is to improve the products that we manufacture and to launch new products in the market that are useful for doctors. In fact, the innovation in technology or medication will have a long live, something that we aspire to.”

Its mother company, the American company Bentley, has acquired the patent for a technology for the administration of products through skin and the mucuous membrane. “It is a technology that we are developing and which has enormous possibilities because many molecules can be administered in this way, with the advantage that they do not have to pass through the digestive system.”

Research

González explains that the technique is being researched in different molecules. “What we have most advanced is the testosterone for erectile dysfunction, whose external administration would prevent some secondary effects of other treatments. We will also try to use it with anti-inflammatories and substantances that are administrated orally. This development, which is currently experimental, is taking place in New Hampshire (United States), where the research center of Bentley is, and also in Zaragoza.

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The company has generics and name brand products because “we want to take advantage of all the possibilities of the factory, which allows us to manufacture with quality and, therefore, also compete with generics.”

Belmac is concentrated, above all, in the area of digestive apparatuses from a global perspective, since it already has an omeprazole-*Belmazol*-[illegible], the screening for detection of premature colon cancer, and it is on the verge of launching a fiber product for the prevention of this cancer and an anti-inflammatory for Crohn’s disease.

In 1999 Belmac will introduce to the market various generics: a product for osteoporosis of calcium with vitamin D and some for its line of over-the-counter pharmaceuticals. Of its consolidated brands, the nasal decongestant *Senioral*, *Belmazol*, the muscle relaxant called *Mio-Relaz*, *Control Bass*-one of the [illegible] with the best price- and the migraine medication [illegible] stand out.

[Photo]

Clemente González is the general director of Belmac]

Punishment

Belmac maintains the philosophy that now that it is necessary to work, “we prefer to do things that are useful and have enormous possibilities for growth,” said Clemente González, general director of the company. One of these useful methods consists of lowering some prices to collaborate in the reduction of pharmaceutical invoices. We try to [illegible] this with the maintenance of quality, but at the same time the Administration punishes us by making us pay a tax to counteract the increase in pharmaceutical invoices. Despite the fact that we consider ourselves responsible for this increase, we have adhered to the solidarity pact. To distance ourselves from this pact would have meant that others would have to pay more, perhaps also unjustly.”

EP 0009116a

Belmac renovates its manufacturing plant and lowers the price of omeprazol

Belmac, the only Spanish laboratory specialized in the manufacture of micropellets of omeprazole (of which they produce more than fifty tons per year) has completely remodeled its manufacturing factory in Zaragoza, for which it has made a 300 million peseta investment that increased its payroll by 40%. This decision responds to the desire to increase the production of omeprazole with this renovation. Belmac, which is on the national market with a medication based on omeprazole, Belmazol, has lowered the cost of 14 capsules: to 950 pesetas (P.V.P.) from the previous cost of 3,797 pesetas. More than 200 million capsules of omeprazole are consumed in Spain each year. The current production capacity of Belmac's plant in Zaragoza is 75 million doses per year, of which a high percentage is exported to 30 countries. Microgranulation is applicable to a large number of products and with it, it is possible to protect medicines in their passage through the stomach, assure their controlled release, and increase their efficiency.

Belmazol
Omeprazol

950 pesetas (PVP IVA)

BELMAC is the only pharmaceutical laboratory specialized in the manufacture of OMEPRAZOLE microgranules in Spain.

[Illegible]

Laboratorios Belmac, S.A.

EP 0009118

PM. FARMA

Page 1 of 1

Belmac completely remodels its production plant

**The only pharmaceutical laboratory in Spain specialized
in the manufacture of Omeprazole micro-pellets,
has substantially lowered the price of its specialty**

Laboratorios Belmac has completely remodeled its Zaragoza plant, for which it has made an investment of 300 million pesetas while it has increased its payroll by 40 percent, for the purpose of increasing the production of Omeprazole, the world's leading drug for the treatment of gastroduodenal ulcer. In addition to its own production, the plant manufactures Omeprazole for other companies, and also for exportation.

Thanks to this remodeling, Belmac, which is on the national market with a medication based on omeprazole, Belmazol, has considerably lowered the cost of 14 capsules: to 950 pesetas (PVPIVA) from the bioequivalent with the two products of reference most known internationally, Moptal and Losee.

More than 200 million capsules of Omeprazole are consumed in Spain per year. The current production capacity of the Belmac plant in Zaragoza is 75 million doses per year, of which a high percentage is exported to 30 countries. From the beginning of its activities, one of Belmac's objectives was to increase the output of this plant, for which it had to renovate and enlarge its product line, in order to assure the future of the company. Now, thanks to the technology of microgranulation with high-capacity equipment, it has become possible to produce more than 50 tons of micropellets per year. Microgranulation is applicable to a great number of products and this is intended, among other things, to protect the medications in their passage through the stomach, to assure its controlled release, and to increase its efficiency.

News Index

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ETHYPHARM

Marques de la Ensenada, 16. 28004 Madrid, Spain
Tel: (34) 913 08 56 81 Fax: (34)913 19 91 59

FAX: 00 33 1 41 12 17 45
From: Maria-Jose Rodriguez

Date: 08 April 99 Pp.: 1
To: Roseline Joannesse
Company: Ethypharm

With reference to your telephone conversation with Ignacio Alvarez, I am sending you the address of Bentley Pharmaceuticals, INC (James Murphy)

490 WEST KENNEDY BOULEVARD
SUITE 400 - TWO URBAN CENTER
TAMPA, FLORIDA 33609

TEL: 00 1 813 281 09 61
FAX: 00 1 813 282 89 41

Cordially,

Maria-Jose Rodriguez

B301

TRANSMISSION RESULT REPORT (8 Apr. 1999 17:17)
TTI ETHYPHARM ST CLOUD

FICH MODE	OPTION	ADDRESS (GROUP)	RESULT	PAGE
407 TX STORED		7000-18132828941	OK	P. 5/5

[Text in English]

B302

[text in English]

B303

[text in English]

TRANSMISSION RESULT REPORT (1 Apr. 1999 16:34)
TTI ETHYPHARM ST CLOUD

FICH MODE	OPTION	ADDRESS (GROUP)	RESULT	PAGE
400 TX STORED		7000-34913199159	OK	P. 1/1

B304

913199159

Belmac remodels its production plant and reduces omeprazole

Belmac, unique Spanish laboratories specialized in the manufacturing of micro-pellets of omeprazole (of which they produce more than 50 tons per year) have totally remodeled their Zaragoza production plant, for which it has made an investment of 300 million pesetas while it has increased its payroll by 40%. This decision is in response to the desire to increase the production of omeprazole with this remodeling. Belmac, which is on the national market with a medication based on omeprazole, Belmazol®, has lowered the price of 14 capsules: to 950 pesetas (P. V. P) from 3,797 pesetas, which it had cost. More than 200 million capsules of omeprazole are consumed in Spain per year. The current capacity of the Belmac plant in Zaragoza is 75 million doses annually, of which a high percentage is exported to 30 countries. Microgranulation is applicable to a great number of products and it is intended, among other things, to protect the medications in their passage through the stomach, to assure their controlled release, and to increase their efficiency.

Safelex, No. 231, 1 April 1999.

B305

BELMAZOL
OMEPRAZOL

950 pesetas (PVP IVA)

BELMAC the only pharmaceutical laboratory specialized in manufacturing
OMEPRAZOL microgranules in Spain.

Omeprazole acts by inhibiting the [] of hydrogen ions in the
[difficult legibility]

PM. FARMA

Page 1 of 1

Belmac totally remodels its production plant

The only pharmaceutical laboratory in Spain specialized in manufacturing Omeprazole micro-pellets, has substantially lowered the price of its specialty

Belmac Laboratories has totally remodeled its factory in Zaragoza, for which it has made an investment of 300 million pesetas while it has increased its payroll by 40 percent, for the purpose of increasing the production of Omeprazole, the world's leading drug for the treatment of gastroduodenal ulcer. In addition to its own production, the plant manufactures Omeprazole for other companies, as well as for exportation.

Thanks to this remodeling, Belmac, which is on the national market with a medication based on omeprazole, Belmazol, has considerably lowered the cost of 14 capsules: to 950 pesetas (PVPIVA) from the 3,797 pesetas that it had cost. Belmazol has proved to be bioequivalent with the two products of reference most known internationally, Moptal and Losee.

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B307

26

April, 1st 1999
[]ATELEX

BELMAC RENOVATES ITS MANUFACTURING FACTORY AND REDUCES THE PRICE OF OMEPRAZOL

BELMAC, the only Spanish laboratory specialized in the manufacturing of microgranules of OMEPRAZOL (of which they produce more than 50 tons/year) has totally remodeled its manufacturing factory in Zaragoza, for which it has made a 300 Millions Pesetas investment that has increased its factory by 40%.

This decision corresponds to the desire to maximize the production of OMEPRAZOL with this renovation. BELMAC which is a significant [player] in the domestic market with a medicine made from OMEPRAZOL, Belmazol ®, has reduced the set of 14 capsules to 950 pesetas from the 3797 pesetas it used to cost. In Spain more than 200 millions of capsules of OMEPRAZOL consumed every years. The current production capacity of Belmac's factory in Zaragoza is 75 millions of doses per year, from which a high percentage is exported to 30 countries.

The microgranulation is applicable to a large number of products and with it, it is possible to shield medicines when they are going through the stomach, securing and controlling delivery and increasing their efficiency.

BELMAC, only Spanish pharmaceutical laboratory specialized in the manufacturing of microgranules of OMEPRAZOL in Spain.

BELMAC, only Spanish pharmaceutical laboratory in Spain specialized in the manufacturing of microgranules of OMEPRAZOL, has substantially decrease its specialty

BELMAC has totally remodeled its manufacturing factory in Zaragoza, for which it has made a 300 Millions Pesetas investment at the time that has increased its factory by 40%, with the goal to maximize the production of OMEPRAZOL, the world leading medicine to treat gastro duodenal ulcer. In the factory, apart from the own production, OMEPRAZOL is manufactured for other companies, as well as for exportation.

Thanks to this renovation, Bemac, which is a significant [player] in the domestic market with a medicine made from OMEPRAZOL, Belmazol, has considerably reduced the set of 14 capsules: to 950 pesetas from the 3797 pesetas it used to cost. BELMAC has demonstrated its bio-equivalence with the 2 products of reference better known internationally, Mopral and Losec.

In Spain more than 200 millions of capsules of OMEPRAZOL consumed every years. The current production capacity of Belmac's factory in Zaragoza is 75 millions of doses

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per year, from which a high percentage is exported to 30 countries. Since the beginning of its activities, BELMAC had as one of its goals to maximize this factory, for that it was necessary to remodel and increase its panel of products with the goal to secure the future of the company. Today, thanks to the technology of the microgranulation with high capacity equipment, it has been possible to produce more than 50 tons of micro pellets per year. The microgranulation is applicable to a large number of products and with it, it is possible to shield medicines when they are going through the stomach, securing and controlling delivery and increasing their efficiency.

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BENTLEY PHARMACEUTICALS, INC.

68 Lafayette Road
Third Floor - South
North Hampton, NH 03862

Temporary Phone (603) 926-2812

Temporary Fax (603) 929-4845

To: Patrice DeBregers Date: April 9, 1999
Fax No: 011-34-91-319 9159
Company: c/o Ethypharm Madrid
From: James R. Murphy
Chairman & CEO

Dear Patrice,

I have received your letter concerning reference to Ethypharm technology and understand your concerns. Our intentions have always been to promote the Belmazol in a fashion that would maximize market potential and obviously advance the best interests of both of our companies.

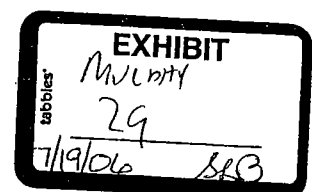
To refresh your memory, extending back many years ago to 1995, I wanted to publicly announce the relationship between our organizations by way of a press release and a promotional program but, your company did not want us to mention Ethypharm. Honoring your wishes since that time, we have been careful not to disclose Ethypharm name in our public announcements.

I am pleased that you have changed your mind and would now prefer that we acknowledge our relationship. I would like to meet with you to discuss how both companies can prosper from joint announcements and even collaborate in more lucrative relations.

Attached is a summary of technologies and worldwide patents recently acquired by Bentley Pharmaceutical in the drug delivery area. We have redirected the focus of the company as a result of these technologies.

We are in the process of moving our corporate headquarters in the US to reside close to the drug delivery industry outside of Boston where we are constructing a developmental laboratory. You may have read the recent announcement of our hiring of a leading scientist in the field (Bob Gyurko). Bob has more than 28 years of drug delivery experience while previously employed at SmithKline Beecham and MacroChem Corp. His most recent accomplishment is in the development and co-authoring the patent for Topiglan[®], a topical treatment for erectile dysfunction.

I invite you and your staff to examine this information and would be pleased to meet and explore the possibility of collaboration in any of the therapeutic areas of mutual interest.



CONFIDENTIAL

BENTL008200

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CONFORMED SUBMISSION TYPE: 10-K
PUBLIC DOCUMENT COUNT: 3
CONFORMED PERIOD OF REPORT: 20001231
FILED AS OF DATE: 20010402

FILER:

COMPANY DATA:

COMPANY CONFORMED NAME:	BENTLEY PHARMACEUTICALS INC
CENTRAL INDEX KEY:	0000821616
STANDARD INDUSTRIAL CLASSIFICATION:	PHARMACEUTICAL PREPARATIONS [2834]
IRS NUMBER:	591513162
STATE OF INCORPORATION:	DE
FISCAL YEAR END:	1231

FILING VALUES:

FORM TYPE:	10-K
SEC ACT:	
SEC FILE NUMBER:	001-10581
FILM NUMBER:	1591592

BUSINESS ADDRESS:

STREET 1:	65 LAFAYETTE RD	3RD FLR
CITY:	NORTH HAMPTON	
STATE:	NH	
ZIP:	03862	
BUSINESS PHONE:	6039648006	

MAIL ADDRESS:

STREET 1:	65 LAFAYETTE RD	3RD FLR
CITY:	NORTH HAMPTON	
STATE:	NH	
ZIP:	03862	

FORMER COMPANY:

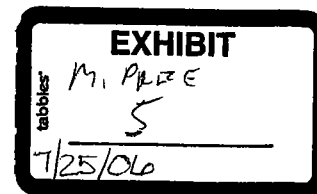
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS PURSUANT TO SECTIONS 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934



X ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
- EXCHANGE ACT OF 1934 for the fiscal year ended December 31, 2000

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
- EXCHANGE

ACT OF 1934 for the transition period from ----- to -----

Commission File Number 1-10581

BENTLEY PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware

No. 59-1513162

(State or other jurisdiction (I.R.S. employer identification no.)
of incorporation or organization)

65 Lafayette Road, 3rd Floor, North Hampton, NH 03862

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (603) 964-8006

Securities registered pursuant to section 12(b) of the Act:

<TABLE>

<CAPTION>

<S>

<C>

Title of each class

Name of each exchange on which registered

Common Stock, \$.02 par value

American Stock Exchange and Pacific Exchange, Inc.

Class B Redeemable Warrants

American Stock Exchange

</TABLE>

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark whether the registrant: (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. YES X NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405
of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K. [X]

State the aggregate market value of the voting and non-voting common equity held
by non-affiliates of the registrant. The aggregate market value shall be
calculated by reference to the price at which the common equity was sold, or the
average bid and asked prices of such common equity, as of a specified date
within 60 days prior to the date of filing.

Title of Class

Aggregate Market Value

As of Close of Business on

Common Stock, \$.02 par value

\$48,826,000

March 26, 2001

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Title of Class -----	Shares Outstanding -----	As of Close of Business on -----
Common Stock, \$.02 par value	13,918,325	March 26, 2001

DOCUMENTS INCORPORATED BY REFERENCE

Proxy Statement for the 2001 Annual Meeting of Stockholders - Incorporated by Reference into Part III of this Form 10-K

<PAGE>

PART I

ITEM 1. BUSINESS

GENERAL

Bentley Pharmaceuticals, Inc. (the "Registrant") is a U.S.-based drug delivery company specializing in the development of products based upon innovative and proprietary drug delivery systems. The Registrant also has a commercial presence in Europe, where it manufactures, markets and distributes branded and generic pharmaceutical products. The Registrant owns rights to certain U.S. and international patents and related technology covering methods to enhance the absorption of drugs delivered to biological tissues. The Registrant is developing this technology and is targeting U.S., European and other international markets for the new product applications. The Registrant is in negotiations with larger pharmaceutical companies with the objective of collaborating in the development and marketing of various product applications, including the treatment of onychomycosis, delivery of insulin, hormone replacement therapies, vaccines and peptides.

It is the Generally Recognized as Safe ("GRAS") status, format independence, and lack of irritation that set the Registrant's technology apart from other related drug delivery systems. Studies have demonstrated that the excipients resulting from this technology enhance the absorption of pharmaceutical products, whether formulated in creams, ointments, gels, solutions, lotions, or patches, and have proven to be efficient in delivering both hydrophilic and lipophilic agents.

The Registrant is currently investigating technologies which may lead to additional patents in drug delivery, both in the extension of its current technology and as new systems applicable to pharmaceutical patches, peptides and oral absorption. The Registrant's objective is to enter into several new licensing collaborations in the near future, utilizing its permeation enhancement technology and improved oral formulations.

The Registrant's corporate headquarters and research laboratories are located in New Hampshire, where it develops and optimizes enhanced formulations utilizing its permeation technology.

In Spain, the Registrant acquires, licenses or develops and registers late stage products, and manufactures, packages and distributes its own products and products under contract for other pharmaceutical companies. Research is conducted in the Registrant's Zaragoza, Spain facility, with the objective of improving drug solubility, dispersion, absorption, and creating improved oral delivery of drugs. Ninety-nine percent of the Registrant's revenues for the year ended December 31, 2000 were derived from its operating subsidiaries, Laboratorios Belmac S.A. and Laboratorios Davur S.L., in Spain.

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The strategic focus of the Registrant has shifted in response to the evolution of the global health care environment. The Registrant emphasizes branded and generic product manufacturing, marketing and distribution in Spain, strategic

alliances and product acquisitions. Its overall strategy has been expanded due to the 1999 acquisition of permeation enhancement technology, which will require some development expenditures while providing a multitude of opportunities for strategic partnerships and/or alliances, which are anticipated to lead to milestone payments and royalty arrangements with the strategic partners bearing or reimbursing the majority of development costs. Since this technology is based on a series of GRAS compounds, products may be developed in a quicker and less costly fashion. The technology facilitates the permeation of drugs administered through skin, across mucosa or through the cornea in a variety of independent pharmaceutical formats. The excipient most advanced in facilitating absorption is referred to by the Registrant as CPE-215, although there are a number of other related compounds under the same patents that have equally impressive enhancing characteristics.

The Registrant anticipated the opportunities that the emerging generic market in Spain present and began taking measures over two years ago to enter the Spanish generic market. The Registrant created a wholly-owned subsidiary to register, market and distribute generic pharmaceutical products in Spain and began aligning its business model to be competitive in this arena, including hiring and training a new generic sales force, submission of generic-equivalent products to the Spanish Ministry of Health for approval and a marketing campaign designed to position the Registrant as a leader in the Spanish generic market. In July 2000, the Registrant entered into a strategic alliance with Teva Pharmaceutical Industries, Ltd., whereby the Registrant will initially receive licenses to more than 75 of Teva's products for registration and marketing in Spain. Teva will supply the bulk pharmaceutical products to the Registrant and the Registrant's Spanish subsidiaries, Laboratorios Belmac and Laboratorios Davur, will market the products in Spain. Teva was also granted a right of first refusal to acquire Laboratorios Davur in the event that the Registrant decides to divest that subsidiary. Sales from the products are expected to begin gradually, but will progress over the next two to three years. An investment in additional sales representatives will be required, along with an increase in regulatory activities, both of which may create a short-term reduction in the Registrant's earnings.

The Registrant was organized under the laws of the State of Florida in February 1974 and operated as a Florida corporation until October 1999, when it changed its state of incorporation to Delaware by effecting a merger of the Registrant with and into Bentley Pharma, Inc., a Delaware corporation, which was a wholly-owned subsidiary of the Registrant. Bentley Pharma, Inc. was the surviving entity of the merger and its name was changed to Bentley Pharmaceuticals, Inc., the name that the Registrant uses to conduct its business. The Registrant also adopted a certificate of incorporation and bylaws, which conform to Delaware law.

PRODUCT LINES

The Registrant currently manufactures, markets and sells generic and branded pharmaceutical products in Spain and exports certain of those products to various countries.

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The Registrant's net sales by its primary product lines are as follows (in thousands of U.S. dollars):

<TABLE>

<CAPTION>

	FOR THE YEAR ENDED DECEMBER 31,		
	2000	1999	1998
	----	----	----
<S>	<C>	<C>	<C>
Pharmaceutical and Consumer Health Care Products	\$18,617	\$20,249	\$15,148
Disposable Products *	-	-	95
	-----	-----	-----

Total	\$18,611	\$20,249	\$15,249
	=====	=====	=====

</TABLE>

* Disposable products were discontinued in December 1998.

B309e

PHARMACEUTICAL MANUFACTURING AND MARKETING IN SPAIN

Laboratorios Belmac, the Registrant's subsidiary in Spain, manufactures and markets pharmaceutical products within four primary therapeutic categories of cardiovascular, gastrointestinal, neurological, and infectious diseases. Laboratorios Davur, a wholly-owned subsidiary of Laboratorios Belmac, markets generic drug products within the same four primary categories. The Registrant manufactures or distributes a variety of dosage forms of various pharmaceuticals in its manufacturing facility in Zaragoza, Spain both for its own sales and under contract for others. The manufacturing facility was renovated in 1995 and brought into full compliance with European Union Good Manufacturing Practices (GMPs) for solid and liquid dosage forms. Additional renovations were completed in 1998, 1999 and 2000 and expansion of the facility is underway during 2001. The Registrant has budgeted approximately \$1,343,000 for year 2001 capital improvements and equipment purchases at its manufacturing facility in Spain, which it expects to fund with cash flows from operations.

The Registrant is in the process of reviewing its product portfolio and has made the decision to divest products that it considers to be redundant or that have become non-strategic. In November 2000, the Registrant agreed to sell its registration rights and trademark to its branded version of enalapril (Controlvas(R)), which the Registrant manufactured and marketed during 2000. The sale of this product, for approximately \$4,800,000, was completed during the first quarter of 2001. Controlvas(R) is an angiotensin converting enzyme inhibitor useful in the treatment of hypertension and congestive heart failure.

The strategic restructuring of the Registrant's product portfolio also resulted in the purchase of the registration rights and trademark to the branded product, Codeisan(R), for approximately \$5,200,000, during the year ended December 31, 2000. Codeisan(R) is used to relieve symptoms of cough and bronchitis.

In addition to the steps taken above, the Registrant has developed and is in the process of registering its own pharmaceutical products in Spain. Among the products Laboratorios Belmac manufactures and/or distributes, each of which is registered with Spain's Ministry of Health, are:

Belmazol(R). Belmazol, whose generic name is omeprazole, is used primarily for hyperacidity problems related to ulcers and, secondarily, for the treatment of gastroesophageal reflux disease.

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<PAGE>

Omeprazole is a proton pump inhibitor, which inhibits the hydrogen/potassium ATPase enzyme system at the secretory surface of gastric parietal cells. Because this enzyme system is regarded as an acid pump within the gastric mucosa, it has been characterized as a gastric acid pump inhibitor in that it blocks the final step of acid production. This compound has been used in combination with antibiotics for the treatment of ulcers when it is suspected that Helicobacter pylori bacteria are the etiologic agent. Omeprazole is marketed in the United States by AstraZeneca.

Fluoxetine. Fluoxetine is in the class of compounds that prevents serotonin uptake by CNS neurons and is a leading antidepressant medication. It is marketed in the United States by Eli Lilly and Co. under the trade name, Prozac(R).

Enalapril. Enalapril is an angiotensin converting enzyme inhibitor useful in the treatment of hypertension and congestive heart failure. It is marketed in the United States by Merck & Company under the trade name, Vasoretic(R).

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January 18, 2000

Board Minutes

BENTL002411
HIGHLY CONFIDENTIAL

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

Of

BENTLEY PHARMACEUTICALS, INC.

A meeting of the Board of Directors of Bentley Pharmaceuticals, Inc. (the "Company") was held at 8:00 a.m. on January 18, 2000 at the Don CeSar Hotel in St. Petersburg, FL. The following Board members were present:

James R. Murphy
Robert M. Stote
Michael D. Price
Robert J. Gyurik
Charles L. Bolling
Russell Cleveland
Miguel Fernandez
Michael Mc Govern
William Packer

being all the members of the Board.

Also present, at the request of the Company, was Jordan Horvath of Parker Chapin Flattau and Klimpl, LLP.

Mr. Murphy acted as Chairman of the Meeting and Mr. Price, at the request of the Chairman, acted as Secretary of the Meeting.

Mr. Murphy called the meeting to order and indicated that the first item on the agenda was to approve the minutes of the Board of Directors' meetings held on October 5, 1999 and December 22, 1999. After discussion and minor corrections, upon motion duly made, seconded and unanimously carried, it was

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RESOLVED, that the minutes of the Board of Directors' meetings held on October 5, 1999 and December 22, 1999 are hereby approved.

The subject of a Scientific Advisory Board was then discussed and it was agreed that it is not necessary at this time and that any objectives could be accomplished with consulting arrangements with the appropriate scientific consultants.

At Mr. Murphy's request, Mr. Price presented a financial report for the fourth quarter and year ended December 31, 1999 that included projected results for the quarter and year. Discussion also included a balance sheet review, cash balances, burn rate, and a presentation of the proposed budget for the year ending December 31, 2000. Mr. Price also distributed recommendations of the Blue Ribbon Committee, proposing changes to the audit committee rules, membership and responsibilities. Discussion followed with questions and answers and, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the financial report and the 2000 budget, attached as Exhibit A, are hereby approved.

Mr. Murphy then reviewed the status of products that are in the regulatory review process in Spain.

At Mr. Murphy's request, Mr. Gyurik gave a presentation on intranasal delivery of insulin and, upon conclusion, entertained questions.

Mr. Murphy then discussed the technology and patents available from NIDCO. Mr. Murphy described the opportunity to acquire this technology and its potential applications. Mr. Murphy presented the proposed terms under which such technology was available to the Company, as follows:

- issuance of Common Stock valued at \$50,000,
- issuance of three-year warrants to purchase 300,000 shares of Common Stock,
- consulting fee of \$1,000 per month, payable to Dr. James Martin,

all payable upon completion of due diligence within 90 days. After discussion and upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the officers of the Company are authorized to enter into an agreement with NIDCO and/or its affiliates to acquire certain technology and patents, along the terms described above, pending satisfactory completion of appropriate due diligence, and it was further

RESOLVED, the officers of the Company are hereby authorized to file a Listing Application with the American Stock Exchange and a Registration Statement, registering such shares and underlying shares, with the Securities and Exchange Commission, and to take all other action that is necessary to carry out the intent of these resolutions.

Mr. Price was then asked to determine the value of the warrants that would be included in the consideration and to report such value to the members of the Board.

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Mr. Murphy followed this discussion with a presentation of a possible collaboration with Lilly and informed the members of the Board that a meeting with Lilly has been scheduled on January 21, 2000, to be attended by Messrs. Murphy, Stote, Gyurik and James Martin. After questions and answers, Mr. Murphy mentioned that Novo Nordisk and Schering Plough are also interested in the Company's technology.

Mr. Murphy continued his presentation with a list of companies that are interested in the Company's technology as applied to specific product applications, such as:

- Medicis
- Carter Wallace
- Dow Dermatologicals
- McNeil
- Zonagen

The next topic of discussion was the possible call of the Company's Class B Warrants and 12% Debentures. However, after discussion, it was determined that this subject would be tabled until the Company meets the requirements that would enable it to call such securities for redemption.

Discussion then concerned whether the Company should consider acquiring its own Common Stock, and after discussion, it was determined that this matter would be tabled until a later date and no action was taken with respect thereto.

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Mr. Murphy informed the members of the Board that the Company had secured assignment of the patents from Maximed and that the patent office had reinstated one patent to the Company and that the second patent is expected soon.

Mr. Murphy then provided an update with respect to previously considered projects, including:

- the Company's decision not to pursue Feminique;
- Stowic's decision to not accept the offer made by the Company; and
- the Company's decision to collaborate with Italpharmaco on non-CPE-215 projects.

At Mr. Murphy's request, Mr. Price reported the status of legal issues in which the Company is involved.

Mr. McGovern reported that the Compensation Committee of the Board had met on the prior evening and had approved an amendment to the Company's 401(K) plan, whereby the Company would begin matching 100% of each employee's contribution with shares of the Company's Common Stock.

Mr. Murphy informed the members of the Board that the Company is working on a licensing agreement with Carter Wallace, whereby Carter Wallace is interested in licensing Biomerica products.